

# DEPARTMENT OF PUBLIC HEALTH FY 2020-22 BUDGET

February 18, 2020

# FY 2020-22 Budget Development

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## **February 4<sup>th</sup>**

- Budget Overview
- Five Year Outlook and Mayor's Budget Instructions
- Major Themes and Goals for two year budget

## **February 18<sup>th</sup>**

- Detailed proposed initiatives for FY 2020-22
- Request for Health Commission approval of proposed budget for submission

## **March Through May**

- Continued development of initiatives related to Mental Health SF

# Detailed Budget Initiatives – Revenue and Savings

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| <b>REVENUES</b>  | <b>FY 20-21</b>                           | <b>FY 21-22</b>                           |
|--|---|---|
|  | Net GF Impact<br>Favorable/ (Unfavorable) | Net GF Impact<br>Favorable/ (Unfavorable) |
| <b>A1</b> Zuckerberg San Francisco General (ZSFG) and Medi-Cal Waiver Revenues | \$ 38,549,122                             | \$ 24,407,666                             |
| <b>A2</b> ZSFG One-Time Settlements  | \$ 65,983,706                             | \$ -                                      |
| <b>A3</b> LHH Baseline Revenues  | \$ 6,534,554                              | \$ 12,115,872                             |
| <b>A4</b> Decommissioning of Legacy IT systems                                 | \$ 9,882,105                              | \$ 8,640,723                              |
| <b>A5</b> Backfill of Federal Funding for Population Health Programs           | \$ (494,159)                              | \$ (504,811)                              |
| <b>A6</b> Specialty Pharmacy Expansion   | \$ -                                      | \$ -                                      |
| <b>TOTAL REVENUES</b>  | <b>\$ 120,455,328</b>                     | <b>\$ 44,659,450</b>                      |

# Detailed Budget Initiatives – Emerging Needs

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| <b>EXPENDITURES</b>   | <b>FY 20-21</b>                           | <b>FY 21-22</b>                           |
|---|---|---|
|   | Net GF Impact<br>Favorable/ (Unfavorable) | Net GF Impact<br>Favorable/ (Unfavorable) |
| <b>B1</b> SFHN Quality Management Redesign and Expansion Office of Compliance Privacy Affairs | \$ (2,028,321)                            | \$ (2,662,895)                            |
| <b>B2</b> Implementing Three New Maternal Child Health Equity Initiatives                     | \$ (550,619)                              | \$ (587,473)                              |
| <b>B3</b> Supporting Operations and Census at ZSFG  | \$ (2,047,175)                            | \$ (1,993,427)                            |
| <b>B4</b> Strengthening HR  | \$ (2,721,482)                            | \$ (3,819,833)                            |
| <b>TOTAL EXPENDITURES</b>   | <b>\$ (7,347,597)</b>                     | <b>\$ (9,063,628)</b>                     |

# Proposed Balancing Plan

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| <b>Budget Instructions</b>                       | <b>FY 20-21</b>       | <b>FY 21-22</b>        | <b>Two-Year Total</b>  |                          |
|--|-----------------------|------------------------|------------------------|--------------------------|
| 3.5/7% General Fund Reduction Target             | \$ (26,571,440)       | \$ (53,142,880)        | \$ (79,714,320)        |                          |
| Revenue Growth Assumed in Deficit                | <u>(20,856,736)</u>   | <u>(41,089,856)</u>    | <u>\$ (61,946,592)</u> |                          |
|  | <b>(47,428,176)</b>   | <b>(94,232,736)</b>    | <b>(141,660,912)</b>   |                          |
| <b>Health Commission Proposal to Meet Target</b> |                       |                        |                        |                          |
| Revenue  | \$ 120,455,328        | \$ 44,659,450          | \$ 165,114,778         |                          |
| Emerging Needs                                   | \$ (7,347,597)        | \$ (9,063,628)         | \$ (16,411,225)        |                          |
| <b>Total Proposed</b>                            | <b>\$ 113,107,731</b> | <b>\$ 35,595,822</b>   | <b>\$ 148,703,553</b>  |                          |
| <b>Net Balancing - Above/(Below) Target</b>      | <b>\$ 65,679,555</b>  | <b>\$ (58,636,914)</b> | <b>\$ 7,042,641</b>    | Available funds for MHSF |

# Planning for MHSF

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- DPH requests Commission approval to submit the \$7.0 million surplus balance to support new initiatives related to MHSF over coming months
- Programming will be developed as part of Mayor's Budget, but can include:
  - ▣ Mental Health Services Center
  - ▣ Increased Case Management and Care Coordination
  - ▣ Drug Sobering
  - ▣ Coordinated Street Outreach Teams and Transportation
  - ▣ Treatment Services Expansion for BH
  - ▣ Program and Infrastructure support

# Wage Equity Initiatives in DPH's Budget

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- \$1.2 million allocated to DPH by Controller in ongoing base budget for to address both direct and indirect impacts of the City's new Minimum Compensation Ordinance (MCO)
- Additional 2.5% (~\$6.6 million) Cost of Doing Business (CODB) for community based providers in FY 2020-21

# Next Steps

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- February 21<sup>st</sup>: Submission to Controller and Mayor's Office
- March – May: Continued work on MHSF and other priorities
- June 1: Mayor's Proposed Budget
- June – July: Board Review of Budget